

NATIONAL OFFICE
Thornhill Office Park
Building 20
94 Bekker Road
Vorna Valley, Midrand
Tel: 010 001 8500



Advisory

4 November 2020

Requests for alternative acceptable financial reporting frameworks

The Legal Practice Council (LPC) would like to inform all law firms that requests for alternative acceptable accounting frameworks under Rule 54.7.1.3 will be considered on an individual basis.

Rule 54.7 of the LPC Rules, which applies to legal practitioners conducting a trust account practice, provides that for purposes of the Rules acceptable financial reporting frameworks which are to be recognised and applied are:

- 'IFRS' being International Financial Reporting Standards as issued from time to time by the International Accounting Standards Board, or its successor body (Rule 54.7.1.1);
- 'IFRS for SMEs', being IFRS for Small and Medium Enterprises (Rule 54.7.1.2); or
- any other acceptable financial reporting framework, recognised by the Council (Rule 54.7.1.3).

In considering whether to approve an alternative reporting framework under Rule 54.7.1.3 the LPC recognises that law firms are required to submit Annual Statements on Trust Accounts. The firm's business financial statements are not required to be submitted to the LPC but relevant to other users such as SARS and financial institutions and the duty remains with law firms to meet any such requirements.

Issued by the Legal Practice Council